

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

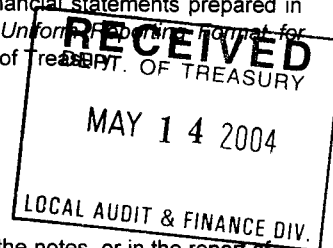
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Dever Township	County Newaygo
Audit Date 3/31/04	Opinion Date 4/21/04	Date Accountant Report Submitted to State: 5/13/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Accounting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

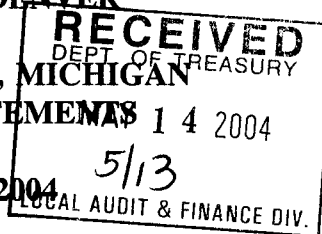
We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Hendon & Slate, PC			
Street Address 711 W. Main Street	City Fremont	State MI	ZIP 49412
Accountant Signature <i>Jodi DeKuiper, CPA</i>		Date 5/13/04	

TOWNSHIP OF DENVER
NEWAYGO COUNTY, MICHIGAN
FINANCIAL STATEMENTS

MARCH 31, 2004



CONTENTS

	<u>Page</u>
List of Principal Individuals	1
Independent Auditor's Report	2
General Purpose Financial Statements - Overview:	
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types	5
Notes to the Financial Statements	6 - 9
SUPPLEMENTARY FINANCIAL DATA:	
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	10 - 12
Special Revenue Funds	
Combining Balance Sheet	13
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Fire Fund	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Road Fund	16
Current Tax Collection Fund	
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	17

TOWNSHIP OF DENVER

Township Board

	<u>Position</u>
David Roberson	Supervisor
Kathleen Stratton	Clerk
Brenda Olsen	Treasurer
Ron Ward	Trustee
Michael LeFevre	Trustee

HS & Companies



Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



Independent Auditor's Report

Township Board
Denver Township
Hesperia, Michigan

We have audited the general purpose financial statements of Denver Township as of and for the year ended March 31, 2004 as listed on the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with the standards prescribed by the state treasurer. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Denver, Newaygo County, Michigan, at March 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United State of America and with applicable rules and regulations of any state department or agency.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Denver, Newaygo County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

Hendon & Slate, P.C.

Hendon & Slate, P.C.
Certified Public Accountants
April 21, 2004

Fremont
711 West Main Street
Fremont, MI 49412
Phone (231) 924-6890
Fax (231) 924-4088
Toll Free (800) 924-6891

Muskegon
950 W. Norton Ave.
Suite 500
Muskegon, MI 49441
Phone (231) 733-0076
Fax (231) 733-0185

Hart
2332 North Comfort Drive
Hart, MI 49420
Phone (231) 873-5611
Fax (231) 873-7033

Whitehall
116 W. Colby, Suite B
Century Building
Whitehall, MI 49461
Phone (231) 893-6772
Fax (231) 893-6773

www.hscompanies.com



The CPA. Never Underestimate The Value.®

RAN-ONE member
building business value

TOWNSHIP OF DENVER

Combining Balance Sheet - All Fund Types and Account Groups March 31, 2004

	<u>Governmental Fund Types</u>		<u>Account Group General Fixed Assets</u>	<u>Total (Memo Only)</u>
	<u>General</u>	<u>Special Revenue</u>		
ASSETS				
Cash	\$ 304,446	\$ -	\$ -	\$ 304,446
Certificates of Deposit	80,320	-	-	80,320
Due From Newaygo County				
Property Taxes	5,483	8,579	-	14,062
Due From Fire Fund	2,763	-	-	2,763
Rebate Receivable	100	-	-	100
Land, Buildings and Equipment	<u>-</u>	<u>-</u>	<u>138,584</u>	<u>138,584</u>
Total Assets	<u>\$ 393,112</u>	<u>\$ 8,579</u>	<u>\$ 138,584</u>	<u>\$ 540,275</u>
 LIABILITIES AND FUND EQUITY				
Liabilities				
Due to General Fund	\$ -	\$ 2,763	\$ -	\$ 2,763
Fund Equity				
Investments in Fixed Assets	-	-	138,584	138,584
Fund Balance	<u>393,112</u>	<u>5,816</u>	<u>-</u>	<u>398,928</u>
Total Fund Equity	<u>393,112</u>	<u>5816</u>	<u>138,584</u>	<u>537,512</u>
Total Liabilities and Fund Equity	<u>\$ 393,112</u>	<u>\$ 8,579</u>	<u>\$ 138,584</u>	<u>\$ 540,275</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF DENVER

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types For the Year Ended March 31, 2004

	General <u>Fund</u>	Special Revenue <u>Funds</u>	Totals <u>Memo Only</u>
Revenues			
Property Taxes	\$ 25,020	\$ 52,922	\$ 77,942
Property Tax Administration Fee	9,831	-	9,831
Licenses and Permits	1,350	-	1,350
State Grants	120,393	-	120,393
Trailer Fees	521	-	521
Interest on Investments	7,148	-	7,148
Cemetery Lot Sales	8,225	-	8,225
Refunds and Reimbursements	11,124	-	11,124
Planning and Zoning	300	-	300
National Forest	674	-	674
Other Revenue - Swamp	<u>22</u>	<u>-</u>	<u>22</u>
Total Revenues	184,608	52,922	237,530
Expenditures			
Legislative	16,672	-	16,672
General Government	56,317	-	56,317
Public Safety	3,271	26,343	29,614
Public Works	25,220	26,782	52,002
Unallocated	<u>1,182</u>	<u>-</u>	<u>1,182</u>
Total Expenditures	<u>102,662</u>	<u>53,125</u>	<u>155,787</u>
Excess Revenues Over (Under) Expenditures	81,946	(203)	81,743
Fund Balance - April 1	<u>311,166</u>	<u>6,019</u>	<u>317,185</u>
Fund Balance - March 31	<u>\$ 393,112</u>	<u>\$ 5,816</u>	<u>\$ 398,928</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF DENVER

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types For the Year Ended March 31, 2004

	General Fund			Special Revenue Fund		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable Unfavorable)
Revenues						
Property Taxes	\$ 27,255	\$ 25,020	\$ (2,235)	\$ 54,510	\$ 52,922	\$ (1,588)
Property Tax Administration Fee	16,036	9,831	(6,205)	-	-	-
Licenses and Permits	1,200	1,350	150	-	-	-
State Grants	126,544	120,393	(6,151)	-	-	-
Trailer Fees	450	521	71	-	-	-
Interest on Investments	10,000	7,148	(2,852)	-	-	-
Cemetery Lot Sales	5,300	8,225	2,925	-	-	-
Refunds and Reimbursements	2,100	11,124	9,024	-	-	-
Planning and Zoning	300	300	-	-	-	-
National Forest	900	674	(226)	-	-	-
Other Revenue - Swamp	22	22	-	-	-	-
Total Revenues	190,107	184,608	(5,499)	54,510	52,922	(1,588)
Expenditures						
Legislative	24,600	16,672	7,928	-	-	-
General Government	86,975	56,317	30,658	-	-	-
Public Safety	8,200	3,271	4,929	26,500	26,343	157
Public Works	123,545	25,220	98,325	27,255	26,782	473
Contingencies	25,000	-	25,000	-	-	-
Unallocated	1,200	1,182	18	-	-	-
Total Expenditures	269,520	102,662	166,858	53,755	53,125	630
Excess Revenue Over (Under)	\$ (79,413)	81,946	\$ 161,359	\$ 755	(203)	\$ (958)
Fund Balance - Beginning of Year		311,166			6,019	
Fund Balance - End of Year		\$ 393,112			\$ 5,816	

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF DENVER

Notes to the Financial Statements
March 31, 2004

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Township's significant accounting policies applied in the preparation of the accompanying financial statements follows. The accounting practices followed by the Township are those prescribed by the State of Michigan.

1. BASIS OF PRESENTATION

The financial activities of the local unit are recorded in separate funds, categorized and described as follows:

Governmental Funds

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the Township of Denver. Revenues are derived primarily from state grants, property taxes and interest on investments.

Special Revenue Fund - (Fire Fund and Road Fund) - These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

Account Groups

General Fixed Assets - this account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

Fiduciary Fund

(Tax Account) - This fund is used to account for assets held as an agent for others.

2. BASIS OF ACCOUNTING

All governmental funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on September 14th and February 14th, with the final collection date of February 28 before they are added to the County tax rolls.

- b. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase. There were no material inventories at year end.
- c. Normally, expenditures are not divided between years by the recording of prepaid expenses.

3. BUDGETS AND BUDGETARY ACCOUNTING

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The Township did not have any expenditures which exceeded budgeted amounts.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level. See pages 10 through 12.

The Township of Denver prepared all budgets for the year ended March 31, 2002 on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

4. EMPLOYEE RETIREMENT AND ACCRUED FRINGE BENEFITS

The Township has a retirement plan for elected officials, which is a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Township pension plan is a part of a master plan administered by Manufacturers Life Insurance Company. Elected officials are to reimburse the Township 25% of their respective contribution.

The contribution paid by the Township for the year ended March 31, 2004 was \$5,063. The employee contributions were \$1,687 for the current year. The covered employees' payroll for the year was \$36,232 of the total payroll of \$47,203. The contributions for each employee, plus interest allocated to the employee's account, are fully vested immediately upon deposit of the contribution by the Township.

5. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could differ from those estimates.

NOTE B PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township of Denver are purchased by the County of Newaygo. The 2003 delinquent taxes (\$14,062) will be received by the Township in June, 2004. These taxes have been recorded as revenue for the year ended March 31, 2004.

NOTE C DEPOSITS WITH FINANCIAL INSTITUTIONS

1. Legal or Contractual Provisions for Deposits and Investments

Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 196, Public Acts of 1997, states the District by resolution may authorize investment of surplus funds as follows:

- A. In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

Notes to the Financial Statements (Continued)

- B. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with Subsection (2).
- C. In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- D. In repurchase agreements consisting of instruments listed in A.
- E. In bankers' acceptances of United States banks.
- F. In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- G. In mutual funds composed of investment vehicles which are legal for direct investment by a public corporation with further details in the act.
- H. In obligations described above if purchased through an inter local agreement under the urban co-operations act of 1967.
- I. In investment pools organized under the local government investment pool act of 1982 and 1985.

2. Deposits are carried at cost and are made at the Shelby State Bank of Hesperia, and two certificates of deposit are held at Fifth Third Bank. The Township holds all deposits in its own name. Following is a schedule of deposits:

	<u>Shelby State Bank</u>	<u>Fifth Third Bank</u>	<u>Gerber Credit Union</u>
Demand Deposits			
Cash-Checking	<u>\$ 1,931</u>	<u>\$ -</u>	<u>\$ -</u>
FDIC Insured	<u>\$ 1,931</u>	<u>\$ -</u>	<u>\$ -</u>
Time Deposits			
Money Market	\$ 157,190	\$ -	\$ 145,326
Certificates of Deposit	<u>-</u>	<u>80,320</u>	<u>-</u>
Total Time Deposits	157,190	80,320	145,326
FDIC Insured	100,000	80,320	-
NCUSIF Insured	<u>-</u>	<u>-</u>	<u>100,000</u>
Uninsured	<u>\$ 57,190</u>	<u>\$ -</u>	<u>\$ 45,326</u>

NOTE D

TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned memorandum only to indicate that they are presented only to facilitate financial analysis; data in these columns do not present financial position in accordance with generally accepted

accounting principles. Neither is such data comparable to a consolidation, inter fund eliminations have not been made in the aggregation of this data.

NOTE E CHANGES IN GENERAL FIXED ASSETS

Changes in the General Fixed Asset Account Group were as follows for March 31, 2004:

	<u>Balances</u> <u>04/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>03/31/04</u>
Land	\$ 47,878	\$ -	\$ -	\$ 47,878
Buildings	38,055	858	-	38,913
Cemetery Equipment	36,330	-	-	36,330
Office Equipment	8,363	900	800	8,463
Election Equipment	4,500	-	-	4,500
Library Equipment	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Total General Fixed Assets	<u>\$ 137,626</u>	<u>\$ 1,758</u>	<u>\$ 800</u>	<u>\$ 138,584</u>

March 31, 1982 values were determined by the Clerk and Supervisor using Township records for recent asset acquisitions. Various other Township sources were utilized in determining values of many years ago. All assets added subsequent to March 31, 1982 have been recorded at cost.

NOTE F RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE G INTERFUND RECEIVABLES AND PAYABLES

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due To/From Other Funds		
General Fund	Fire Fund	\$ 2,763

TOWNSHIP OF DENVER

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General Fund For the Fiscal Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$ 27,255	\$ 25,020	\$ (2,235)
Property Tax Administration Fee	16,036	9,831	(6,205)
Licenses and Permits	1,200	1,350	150
State Grants	126,544	120,393	(6,151)
Trailer Fees	450	521	71
Interest on Investments	10,000	7,148	(2,852)
Cemetery Lot Sales	5,300	8,225	2,925
Refunds and Reimbursements	2,100	11,124	9,024
Planning and Zoning	300	300	-
National Forest	900	674	(226)
Other Revenue - Swamp	<u>22</u>	<u>22</u>	<u>-</u>
Total Revenues	190,107	184,608	(5,499)
Expenditures			
Legislative			
Township Board			
Salaries and Wages		2,800	
Fringe Benefits		674	
Dues and Publications		650	
Printing and Publishing		146	
Insurance and Bonds		5,944	
Rentals		29	
Miscellaneous		5,647	
Education and Training		138	
Transportation		29	
Office Supplies		115	
Capital Outlay		<u>500</u>	
Total Legislative	24,600	16,672	7,928
General Government			
Supervisor			
Salaries and Wages		7,266	
Fringe Benefits		2,632	
Transportation		224	
Education and Training		141	
Office Supplies		214	
Utilities		<u>136</u>	
	\$ 12,300	\$ 10,613	\$ 1,687

Statement of Revenues, Expenditures and Change in Fund
Balance - Budget and Actual - General Fund (Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Elections			
Salaries		\$ 772	
Education and Training		123	
Transportation		61	
Office Supplies		80	
Fringe Benefits		<u>61</u>	
	\$ 9,600	1,097	\$ 8,503
Assessor			
Salaries and Wages		9,068	
Office supplies		205	
Membership and Dues		55	
Utilities		407	
Capital Outlay		<u>400</u>	
	15,225	10,135	5,090
Clerk			
Salaries and Wages		8,466	
Fringe Benefits		1,541	
Office Supplies		453	
Education and Training		67	
Membership and Dues		50	
Transportation		170	
Utilities		<u>60</u>	
	17,100	10,807	6,293
Board of Review			
Salaries and Wages		783	
Fringes		10	
Transportation		<u>55</u>	
	1,775	848	927
Treasurer			
Salaries and Wages		8,632	
Fringe Benefits		1,214	
Office Supplies		1,138	
Transportation		133	
Education and Training		251	
Membership and Dues		35	
Utilities		372	
Miscellaneous		<u>100</u>	
	\$ 19,675	\$ 11,875	\$ 7,800

Statement of Revenues, Expenditures and Change in Fund
Balance - Budget and Actual - General Fund (Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Township Hall			
Rent	\$ 1,200	\$ 1,000	\$ 200
Cemetery			
Salaries and Wages		6,985	
Operating Supplies		1,178	
Repairs and Maintenance		499	
Transportation		88	
Utilities		334	
Capital Outlay		<u>858</u>	
	<u>10,100</u>	<u>9,942</u>	<u>158</u>
Total General Government	86,975	56,317	30,658
Public Safety			
Zoning Administrator			
Salaries		1,320	
Transportation		<u>152</u>	
	2,300	1,472	828
Planning and Zoning Board			
Salaries and Wages		1,117	
Office Supplies		35	
Dues		550	
Printing and Publishing		<u>97</u>	
	<u>5,900</u>	<u>1,799</u>	<u>4,101</u>
Total Public Safety	8,200	3,271	4,929
Public Works			
Highways, Streets and Bridges			
Professional Services		8,218	
Brining		16,765	
Street Lights		<u>237</u>	
Total Public Works	123,545	25,220	98,325
Contingencies	25,000	-	25,000
Payroll Tax	<u>1,200</u>	<u>1,182</u>	<u>18</u>
Total Expenditures	<u>269,520</u>	<u>102,662</u>	<u>166,858</u>
Excess Revenues Over (Under) Expenditures	<u>\$ (79,413)</u>	81,946	<u>\$ 161,359</u>
Fund Balance - Beginning of Year		<u>311,166</u>	
Fund Balance - End of Year		<u>\$ 393,112</u>	

TOWNSHIP OF DENVER

Combining Balance Sheet Special Revenue Funds March 31, 2004

	<u>Fire Fund</u>	<u>Road Fund</u>	<u>Total</u>
ASSETS			
Taxes Receivable	<u>\$ 4,169</u>	<u>\$ 4,410</u>	<u>\$ 8,579</u>
Total Assets	<u>\$ 4,169</u>	<u>\$ 4,410</u>	<u>\$ 8,579</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Due To General Fund	<u>\$ 2,763</u>	<u>\$ -</u>	<u>\$ 2,763</u>
Total Liabilities	2,763	-	2,763
Fund Balance - Unreserved	<u>1,406</u>	<u>4,410</u>	<u>5,816</u>
Total Liabilities and Fund Balance	<u>\$ 4,169</u>	<u>\$ 4,410</u>	<u>\$ 8,579</u>

TOWNSHIP OF DENVER

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Funds For the Fiscal Year Ended March 31, 2004

	<u>Fire Fund</u>	<u>Road Fund</u>	<u>Total</u>
Revenues			
Taxes - Current	<u>\$ 25,718</u>	<u>\$ 27,204</u>	<u>\$ 52,922</u>
Total Revenues	25,718	27,204	52,922
Expenditures			
Public Safety	26,343	-	26,343
Public Works	<u>-</u>	<u>26,782</u>	<u>26,782</u>
Total Expenditures	26,343	26,782	53,125
Excess Revenues Over (Under)			
Expenditures	(625)	422	(203)
Fund Balance - April 1	<u>2,031</u>	<u>3,988</u>	<u>6,019</u>
Fund Balance - March 31	<u>\$ 1,406</u>	<u>\$ 4,410</u>	<u>\$ 5,816</u>

TOWNSHIP OF DENVER

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Fire Fund For the Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Favorable Unfavorable</u>
Revenues			
Property Taxes	\$ 27,255	\$ 25,718	\$ (1,507)
 Expenditures			
Fire Contracts	<u>26,500</u>	<u>26,343</u>	<u>157</u>
 Excess Revenues Over (Under Expenditures)	<u>\$ 725</u>	(625)	<u>\$ (1,350)</u>
 Fund Balance - April 1		<u>2,031</u>	
 Fund Balance - March 31		<u>\$ 1,406</u>	

TOWNSHIP OF DENVER

Statement of Revenues, Expenditures and Changes in Fund Balance - Road Fund For the Fiscal Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$ 27,255	\$ 25,204	\$ (51)
Expenditures			
Public Works			
Contracted Services	<u>27,255</u>	<u>26,782</u>	<u>473</u>
Excess Revenues Over (Under)			
Expenditures	<u>\$ -</u>	422	<u>\$ 422</u>
Fund Balance - Beginning of Year		<u>3,988</u>	
Fund Balance - End of Year		<u>\$ 4,410</u>	

TOWNSHIP OF DENVER

Combining Statement of Changes in Assets and Liabilities - All Agency Funds For the Fiscal Year Ended March 31, 2004

	<u>Current Tax Collection Fund</u>			
	<u>Balance 04/01/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 03/31/04</u>
ASSETS				
Cash	\$ 54	\$ 756,918	\$ 721,972	\$ 35,650
Taxes Receivable	<u>-</u>	<u>855,159</u>	<u>855,159</u>	<u>-</u>
Total Assets	<u>\$ 54</u>	<u>\$ 1,612,077</u>	<u>\$ 1,612,077</u>	<u>\$ -</u>
LIABILITIES				
Due to Other Funds	\$ 54	\$ 74,581	\$ 74,635	\$ -
Due to County and ISD	-	331,510	331,510	-
Due to Schools				
Hesperia	-	279,581	279,581	-
Fremont	-	31,135	31,135	-
White Cloud	-	500	500	-
Due to Hesperia Library	<u>-</u>	<u>39,611</u>	<u>39,611</u>	<u>-</u>
Total Liabilities	<u>\$ 54</u>	<u>\$ 756,918</u>	<u>\$ 756,972</u>	<u>\$ -</u>

HS & Companies

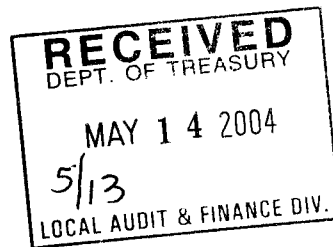


Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



May 10, 2004

Township Board
Denver Township
Newaygo County, Michigan



Dear Board Members:

In connection with our audit of Denver Township as of and for the year ended March 31, 2004, we offer the following comments and recommendations.

BOOKS AND RECORDS

The Township's books and records were again maintained in excellent condition. Your officials should be commended. Records of the clerk and treasurer were properly posted and balanced.

ZONING PERMITS

Following our previous audit, we recommended that the Township permits be collected by the Township and pay the zoning administrator for services provided. We noted that the Township implemented this recommendation and properly reported zoning permits and services.

BUDGETING

As we have indicated in the past, the budgets meet all on the State's minimum requirements for budgeting. With the two extra funds (due to the extra mills for road and fire), it can be confusing which funds are included in the budget. We especially had difficulty with the Road Fund, because the budgeted road expenditures included both General and Road Fund. Therefore, we recommend that the Township prepare completely separate budget sheets for each fund.

GASB 34 - BASIC FINANCIAL STATEMENTS - AND MANAGEMENT'S DISCUSSION AND ANALYSIS - FOR STATE AND LOCAL GOVERNMENTS

This is the last year that your financial statements will look as they do. Your financial statements for the year ended March 31, 2006 (your next fiscal year to be audited) will need to incorporate the modifications as required by GASB 34. We, of course, will be working together with the Township to ensure that you are in compliance.

Fremont
711 West Main Street
Fremont, MI 49412
Phone (231) 924-6890
Fax (231) 924-4088
Toll Free (800) 924-6891

Muskegon
950 W. Norton Ave.
Suite 500
Muskegon, MI 49441
Phone (231) 733-0076
Fax (231) 733-0185

Hart
2332 North Comfort Drive
Hart, MI 49420
Phone (231) 873-5611
Fax (231) 873-7033

Whitehall
116 W. Colby, Suite B
Century Building
Whitehall, MI 49461
Phone (231) 893-6772
Fax (231) 893-6773

www.hscompanies.com



The CPA. Never Underestimate The Value.®

RAN-ONE member
building business value

Denver Township
May 10, 2004
Page 2

Thank you for the courtesy extended to us during our audit. We look forward to our continued relationship with Denver Township. If you have any questions regarding the audit report, this letter or any other communication, please do not hesitate to call.

Respectfully submitted,

A handwritten signature in black ink that reads "Jodi DeKuiper, CPA". The signature is written in a cursive style with a large, stylized "J" and "D".

Jodi DeKuiper, CPA
Hendon & Slate, P.C.